

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

PERIODIC REPORTING
(PROPOSAL ONE)

Docket No. RM2018-4

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF REVISED TABLE
AND ASSOCIATED WORKSHEET REGARDING PROPOSAL ONE -- ERRATA**
(June 7, 2018)

On May 17, 2018, the Postal Service filed Excel worksheet Prop.1.RCCS_Digital_Impact.xlsx as an electronic attachment to accompany its Petition regarding Proposal One. The purpose of this sheet was to support the Impact table appearing at the end of the Proposal. While the original file displayed the correct unit cost Impact results, certain intermediate elements contained offsetting (and thus ultimately immaterial) errors. The Postal Service hereby gives notice of filing the attached revised version of the Excel impact file, in which those errors have been corrected (and source notes have also been improved). The unit cost impacts displayed remain unchanged.

Preparation of the revised spreadsheet also revealed the opportunity to clarify the Impact table included in the text of Proposal One. Specifically, the attached revised final page of Proposal One aligns the comparison of changes between proposed and current distribution key approaches from FY2017 with the corresponding unit cost changes estimated using FY2017 data. In the previous version of the table, the distribution key comparison was conducted using distribution key data from FY2018:Q1, while the unit costs difference column was based on the FY2017 data. That minor disconnect within the original Proposal One Impact table may not have been apparent.

While no longer reflected in the Impact table, the FY2018:Q1 distribution key data are still provided in the first tab of the Excel file. As was the case in the original filing, viewed in the context of either FY2017 or FY2018:Q1, the estimated distribution key changes (and hence any unit cost changes) associated with Proposal One would consistently be quite minor. To summarize, the revised materials tell the exact same story as before, but hopefully do so a bit more clearly.¹

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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¹ Also attached is a revised page 4 of the Proposal, in which the description (of the Impact table) at the bottom of the page has been slightly modified to correspond to the revised Impact table as it now appears on page 5.

and cased letters and flats. Additionally, this may help to avoid delaying the carrier leaving the office to deliver mail.

Because the automated, systematic method of collecting images of DPS letters and cards is used to collect the sample, this proposal of replacing manual sampling would reduce the risk of undetected sampling errors. Additionally, the retention of the mailpiece images for thirty days would allow for review and post-analysis by data collectors and their supervisors.

The use of ODIS-RPW digital data destined for rural carrier routes would increase the number of DPS sampled mailpieces by approximately 450 percent. Quarterly, there are approximately 120,000 DPS mailpieces sampled in RCCS. Using the digital data from ODIS-RPW, approximately 550,000 mailpieces would be sampled. The number of RCCS tests would increase by approximately 330 percent. Quarterly, there are approximately 1,600 RCCS tests. The number of digital tests from ODIS-RPW digital data is approximately 5,400 per quarter. Starting in PQ1 FY18, RCCS is using the Universal Delivery Statistics File (UDSF) as the sampling frame. For further detailed information, please see the RCCS Digital System documentation electronically attached to this Proposal as a pdf document.

IMPACT:

The table below compares the FY17 DPS distribution key proportions and estimates the impact on FY17 unit costs from the proposal. Additional results from the proposed methodology relating to the preliminary FY18 (PQ1) DPS digital data can be found in the accompanying Excel file attached electronically. As shown in the table and the accompanying Excel file, the expected impact would be minimal.

Impact of Proposal One

			Proposed		Proposed
	FY17 ACR		FY17 ACR		C/S 10 Unit Cost
	DPS DK		DPS DK		Difference
	Proportions		Proportions		w/PiggyBacks
Domestic Market Dominant Products					
First-Class Mail					
Single-Piece Letters	11.9%		11.9%		\$ (0.0000)
Single-Piece Cards	0.6%		0.7%		\$ 0.0005
Presort Letters	34.6%		34.1%		\$ (0.0001)
Presort Cards	1.7%		1.4%		\$ (0.0010)
Single-Piece Flats					
Presort Flats					
Parcels					
Marketing/Standard Mail					
High Density and Saturation Letters	5.2%		6.5%		\$ 0.0014
High Density and Saturation Flats/Parcels					\$ 0.0000
Every Door Direct Mail-Retail					
Carrier Route	0.1%		0.0%		\$ (0.0001)
Letters	45.6%		45.1%		\$ (0.0001)
Flats					
Parcels					
Total Periodicals	0.0%		0.0%		\$ (0.0000)
US Postal Service	0.1%		0.2%		\$ 0.0006
Free Mail	0.0%		0.0%		\$ 0.0000
Total Domestic Competitive Mail and Services	0.0%		0.0%		\$ 0.0000
Total International Mail And Services	0.0%		0.1%		\$ 0.0002
Total	100.0%		100.0%		